



**Advisory Board**  
HealthSource RI  
One Weybosset Hill / 33 Broad Street  
2<sup>nd</sup> Floor, Conference Room A  
4:00 pm – 5:00 pm  
Monday, January 5, 2015  
Minutes

**I. Call to Order**

Members present: Advisory Board Chair Geoff Grove (by telephone), Mike Gerhardt, Margaret Holland McDuff, Peter Howland, and Linda Katz

Staff Members present: Director Christine Ferguson, Amy Black, Meg Ivatts, Marti Rosenberg, and Melissa Travis

**II. Director's Report – Overall Briefing for the Transition**

Director Ferguson noted that the first time she met with the board, she presented the board with a set of documents and that she is pulling together a lot of information to share now as she leaves.

She stated that Chairman Geoff Grove asked her to pull together information, soup to nuts, of all of the different pieces of work that have been done over the past couple years: money spent, where the contracts are, the financial issues, and some of the data and analytics we have been working on over the past two years.

The information includes:

- Coverage targets for individuals and families for and for the SHOP exchange
  - Variables are erosion of employer insurance, affordability, level of tax credits, market competition, and future delivery system reforms. RI can add other markets into SHOP after 2017, or earlier by waiver.

	2014	2015	2016	2017	2018
<b>Individuals and Families</b>	25,000	30,000	36,000	45,000	50,000
<b>Small business 50 and under (100 and under - Starting in 2016)</b>	2,500	7,000	14,000	25,000	35,000

- Total grants awarded: \$152M. Overall spending as of the end of November 2014 was \$82M. Rough percentage breakdown of costs is as follows:
  - Operations
    - Integrated Technology (UHIP) Build, Defect fixes, Maintenance: **65%**
    - Contact Center: **10%**
  - Outreach, Marketing, Sales, HSRI Website, Broker, Employer & Consumer Decision Support and Plan Comparison tools: **8.4%**
  - Data and Advanced Analytics, Research and Reporting: **6.2%**
  - Health Insurance Product Design, Actuarial, Legal, Advisory: **4.4%**
  - Personnel and Administration: **6%**

Director Ferguson reported on the renewals throughout Open Enrollment so far this year. She said, “As of this morning, we are up to 78% of renewals. I’ve had a number of conversations nationally. No one can believe we didn’t do auto-enrollment and that we are up that high. More importantly, 60% chose a plan that was different than what they were in. 40% changed carriers. This is interesting to watch. And the churn between Medicaid and the APTC’s is 2%, which is much lower than I expected it to be.”

As you go through the book, there are some overview slides of the work that has been done, including the small group analyses.

Ferguson then went through the PowerPoint that laid out a synopsis of where HSRI started and what has been accomplished.

**1) Goals:** First, Ferguson described the goals and commented on the progress toward reaching them:

- 1) **Improve health of Rhode Islanders:** “It’s a little soon to know if that’s happened.”
- 2) **Universal coverage:** “We’ve gone from 12% to about 5% uninsured – a significant improvement.”
- 3) **Favorably impact health care cost trends:** “We’ve seen health insurance trends go down in some of the plans and up in others.”
- 4) **Favorably impact health care delivery system:** “We know that the conversations that we’re having with people who are buying are about the delivery system and the deductibles and pricing.”
- 5) **Add value to employer health insurance purchasing:** “We’ve added a series of options to add value to employer-based purchasing.”

**2) Factors Considered** – These are factors that HSRI staff considered in making structural and operations decision:

- Size of state and market
- Cost of health care/insurance
- Ability to influence price and delivery system
- Need for updated legacy eligibility systems

**3) Potential markets** – These were the markets we would either work in, or plan to expand to:

- Individual Market: 40k – 60k
- Small Business (<50 Employees): 80k – 110k
- Small Business (<100 Employees): 33k – 45k
- 100+ Employees: 120k – 180k

**4) Approach and Tactics** – These were the approaches taken in the first couple years of HSRI:

- Integrated eligibility and enrollment – IT system replacing state legacy systems
- Consumer choice, transparency, and easy of comparison: Neutral third party to support consumer plan comparisons and provider access
- New way of purchasing insurance for small businesses and employees

- Plan design and actuarial/predictive modeling: use of data and advanced analytics to support statewide efforts
- Consumer power in making a choice and driving how care is delivered and financed

**5) Implementation Choice** - The choice that the state made overall was to leverage our federal dollars to both build the Medicaid and APTC system and to leverage the investment to create the infrastructure and tools we need to reach those 5 goals in the short term and to alleviate the cost of health care and the drain on the economy in the long term.

**6) Core Functions Built:**

- Eligibility and enrollment
- Product design
- Small business outreach and sales
- Marketing
- Premium billing
- Actuarial analysis
- Customer support
- Consumer tools and information

The Board then discussed briefly the structure of HSRI going forward and whether or not becoming a quasi-public agency was still an option. It was noted that those decisions would be made by the new Governor and legislature.

The Board discussed some of the positive outcomes and challenges regarding the state's decision to have an integrated system as well as some of the additional tools (specifically ALEX—a tool for brokers and small business) that have been added this year. There was discussion about whether it was possible to provide similar tools for individuals using HSRI. There was general agreement that both the decrease in the rate of uninsured and the increase in the number of carriers in the Rhode Island market were both positive outcomes of HSRI.

The Board discussed challenges that could present themselves in the coming years regarding providing information to consumers and the public perception that controlling healthcare costs is difficult. The conversation focused on policy choices regarding cost containment, expanded coverage and delivery reform and how those factored into the design of the ACA.

The Board discussed the remaining federal resources that have yet to be spent in support of the original five goals contained in the executive order that created HSRI.

The Board then discussed the upcoming leadership transition and Director Ferguson expressed her willingness to make the transition a smooth one.

There was a brief conversation regarding the upcoming role that HSRI would play in the filing of taxes for those who had received tax credits through the exchange.

Advisory Board members and others thanked Director Ferguson for enacting her vision and making HSRI one of the nation's most effective health exchanges. The meeting adjourned with applause for Director Ferguson.